

UTILITIES DIVISION[199]

Adopted and Filed

Pursuant to Iowa Code sections 17A.4, 17A.7, 476.1, 476.6, 476.8, and 476.20, the Utilities Board (Board) gives notice that on July 1, 2009, the Board issued an order in Docket No. RMU-08-7, In re: Electric Load Service Limiters, “Order Adopting Rules.” The Board is adopting amendments to 199 IAC 20.1(476B) and 20.4(476B). The amendments impact the use of electric load service limiters for residential customers.

The adopted changes to the service limiter rules reflect advances in meter technology. The use of a service limiter or service limiting meter function is an alternative to disconnection available to customers who have exhausted all payment agreements for which they are eligible under the Board’s rules and would otherwise be subject to disconnection of electric service. Service limiters have been allowed in Iowa for a number of years and the amendments take into account new technology and clarify when limiters can be used so that limiters are used as an alternative to disconnection, rather than a collection tool.

The Notice of Intended Action in Docket No. RMU-08-7 was published in IAB Vol. XXXI, No. 13 (12/17/2008) p. 1449, as **ARC 7409B**. The Notice of Intended Action was published after the Board conducted an inquiry concerning the use of electric load service limiters.

On January 8, 2008, the Board initiated an inquiry into the use of electric load service limiters after rejecting a tariff and denying a waiver request filed by Consumers Energy Cooperative (Consumers Energy) in Docket Nos. WRU-07-28-945 and TF-07-156. The tariff was rejected and the waiver denied by Board order issued on December 26, 2007, in part because objectors raised issues that needed to be addressed in a broader forum. Among the issues the Board wanted to examine were the scope of technology available, the range of applications, and legal and practical issues surrounding the use of electric load service limiters. The last time the Board looked at this issue (1999-2000), it appeared no utilities were using limiters. Today, only a few municipalities or cooperatives use them. The state’s two investor-owned electric utilities, Interstate Power and Light Company (IPL) and MidAmerican Energy Company (MidAmerican), currently do not use service limiters. The scope of the inquiry was limited to use of service limiters for residential customers; the Board’s rules regarding limiters only apply to residential customers.

Technology regarding service limiters has changed since the Board last examined its service limiter rules. When the Board adopted its current rules, a collar had to be placed on the meter to limit service, leading to the requirement that once the past-due bill was paid, the collar had to be removed by the next working day. Today, many new meters have service limiting technology built in and there is no collar to install or remove; the service limiting function can be activated or disabled by the utility from a remote location. The old collars were reset by manually pushing a button; the new ones often can be reset manually, remotely, or automatically after a specified time period.

Several groups filed written comments in the inquiry, and a workshop was held on May 14, 2008. Participants included the Consumer Advocate Division of the Department of Justice (Consumer Advocate), the Iowa Department of Human Rights, Iowa Legal Aid, IPL, the Iowa Association of Municipal Utilities, MidAmerican, the Iowa Association of Electric Cooperatives (IAEC), and Consumers Energy. Perhaps the biggest difference between those in favor of limiters and those opposed to their use is whether a service limiter, when it is tripped because the usage limit is exceeded, results in a disconnection. If one concludes that when the service limit is exceeded and the power flow stops there is a disconnection, then all the winter moratorium rules apply, the use of service limiters is severely curtailed, and enforcement is difficult.

Another view is that service limiters can be used in limited circumstances as an alternative to disconnection with no violation of the winter moratorium. The adopted amendments provide that when a customer has defaulted on all payment agreements for which the customer is eligible under the Board’s rules and could therefore be subject to disconnection, the utility may offer the customer a

service limiter in conjunction with a subsequent payment agreement as an alternative to disconnection. The loss of service that occurs when the service limit is exceeded is not a disconnection because the amendments provide that service must be capable of being restored within a short period of time.

The winter moratorium rules and temperature rules would still apply. For example, a low-income home energy assistance program (LIHEAP)-eligible customer who has agreed to a service limiter could not be disconnected during the winter moratorium, although the service limiter could be utilized if the requirements in the adopted rules were satisfied. However, the adopted amendments provide that the service limiter could not be placed on the customer's meter without the customer's consent. The LIHEAP-eligible customer could decline the use of a limiter, continue receiving regular service during the moratorium, and be disconnected after April 1 if past-due bills remained.

The inquiry participants did not reach a consensus on any changes to the existing electric load service limiter rules. The adopted amendments allow for use of service limiters but expand and clarify existing safeguards. The amendments are designed to allow for the use of service limiters as an alternative to disconnection, not as a collection tool for accounts that are not already subject to disconnection. The amendments prohibit use of a service limiter until there has been a default on all payment agreements that a customer is entitled to under the Board's rules; this is a change from the Noticed amendments, which allowed for use of a limiter after default on the first payment agreement. If the customer agrees to use of a limiter and a subsequent payment agreement, then under the amendments the customer can avoid disconnection.

The minimum usage set by the amendments, 3,600 watts, is designed to allow most residential customers to heat their homes and run a couple of appliances at the same time, but it will not allow full normal usage. A utility can set a higher limit as long as it uses nondiscriminatory standards for determining when it will do so. For electric heating customers, the limit must be high enough to heat the home. The amendments also clarify current disconnection practice, which is that disconnection can be after a 24-hour notice if the disconnection is for failure to comply with the terms of a payment agreement.

The amendments require that the service limiting function must be capable of being manually reset by the customer or reset automatically within 15 minutes of an interruption. There is also an option for remote reset (in which case a 24-hour telephone number must be provided), but either manual or automatic reset must be available at the meter. The amendments provide that there are to be no disconnect, reconnect, or other charges associated with the use of limiters and the utility is required to provide the customer with information on how the limiter works and what appliances (or combination thereof) can typically be operated to stay within the usage limits. To reflect new technology, the amendments do not require the limiter to be removed if the past-due bill is paid, but the service limiting function of the meter must be disabled no later than the next working day after the account balance is paid.

An oral presentation was held on February 5, 2009, and parties were allowed the opportunity to file additional written comments. In addition to comments from those who participated in the inquiry, comments were also received from the Iowa Community Action Association and the American Association of Retired Persons (AARP). The IAEC supported the amendments and asked that a service limiter be allowed in conjunction with a second payment agreement. The other groups generally argued against the use of limiters or wanted more restrictions on their use. Examples of the restrictions suggested by various commenters are: no limiters if any member of the household is under the age of 6 or over the age of 65; no limiters if any member of the household is disabled or has an income equal to or less than 50 percent of the state median income; service could not be tripped by a limiter between 8 p.m. and 7 a.m.; and no use of limiters during the winter moratorium. Restrictions such as those suggested would have likely meant that service limiters would never be used, and therefore, the suggested changes will not be adopted.

Consumer Advocate proposed two changes. One would provide that a service limiter cannot be used until a customer has defaulted on all payment plans the customer is entitled to under the rules. The Board is adopting this clarification, which is consistent with the intent of the amendments.

Consumer Advocate also advocated a higher minimum usage, which the Board did not adopt. The minimum usage set by the rules, 3,600 watts, is designed to allow customers to heat their homes and run a couple of appliances at the same time, but clearly it will not provide the full level of service available to other customers. A utility can set a higher limit as long as it uses nondiscriminatory standards for doing so. For electric heating customers, the limit must be high enough to heat the home.

There is one other change from the Noticed amendments. The Noticed amendments required that the limiter be capable of being reset manually (with the option of also being reset automatically or remotely). After the oral presentation, it was clear that at least some of the new meters with automatic reset capability cannot be manually reset (or manually reset only with great difficulty). Therefore, the adopted amendments provide that a meter must be capable of either a manual reset or an automatic reset within 15 minutes of an interruption. This encompasses both the old and new technology.

The adopted amendments are substantially similar to those published under Notice of Intended Action in this docket. Any changes are for clarification or in response to the oral and written comments and, therefore, no additional notice prior to adopting these amendments is required.

The Board does not find it necessary to propose a separate waiver provision in this rule making. The Board's general waiver provision in 199 IAC 1.3(17A,474,476,78GA,HF2206) is applicable to these amendments.

These amendments will become effective on September 2, 2009.

These amendments are intended to implement Iowa Code sections 476.1, 476.6, 476.8, and 476.20.

The following amendments are adopted.

ITEM 1. Amend subrule **20.1(3)**, definition of "Service limiter," as follows:

"Service limiter" or "service limitation device" means a ~~circuit-breaker~~ device that limits a residential customer's power consumption to ~~15 amps at 120 volts~~ 3,600 watts (or some higher level of usage approved by the board) and that ~~either~~ resets itself automatically, or can be reset manually by the customer, and may also be reset remotely by the utility at all times.

ITEM 2. Amend subparagraph **20.4(15)"d"(4)** as follows:

(4) If the utility has adopted a service limitation policy pursuant to subrule 20.4(23), the following paragraph shall be appended to the end of the standard form for the summary of rights and ~~remedies responsibilities~~, as set forth in subparagraph 20.4(15) "d"(3):

Service limitation: We have adopted a limitation of service policy ~~of service limitation before disconnection for customers who otherwise could be disconnected. You may be qualified for service limitation rather than disconnection. To see if you qualify, contact our business office. Contact our business office for more information or to learn if you qualify.~~

ITEM 3. Amend paragraph **20.4(15)"f"** as follows:

f. A utility may disconnect electric service after 24-hour notice (and without the written 12-day notice) for failure of the customer to comply with the terms of a payment agreement, ~~except as provided in numbered paragraph 20.4(11) "c"(1) "4," provided the utility complies with the provisions of paragraph 20.4(15) "d."~~

ITEM 4. Rescind paragraph **20.4(15)"h."**

ITEM 5. Rescind subrule 20.4(23) and adopt the following new subrule in lieu thereof:

20.4(23) Limitation of service. The utility shall have the option of adopting a policy for service limitation at a customer's residence as a measure to be taken in lieu of disconnection of service to the customer. The service limiter policy shall be set out in the utility's tariff and shall contain the following conditions:

- a.* A service limitation device shall not be activated without the customer's agreement.
- b.* A service limitation device shall not be activated unless the customer has defaulted on all payment agreements for which the customer qualifies under the board's rules and the customer has agreed to a subsequent payment agreement.
- c.* The service limiter shall provide for usage of a minimum of 3,600 watts. If the service limiter policy provides for different usage levels for different customers, the tariff shall set out specific

nondiscriminatory criteria for determining the usage levels. Electric-heating residential customers may have their service limited if otherwise eligible, but such customers shall have consumption limits set at a level that allows them to continue to heat their residences. For purposes of this rule, “electric heating” shall mean heating by means of a fixed-installation electric appliance that serves as the primary source of heat and not, for example, one or more space heaters.

d. A provision that, if the minimum usage limit is exceeded such that the limiter function interrupts service, the service limiter function must be capable of being reset manually by the customer, or the service limiter function must reset itself automatically within 15 minutes after the interruption. In addition, the service limiter function may also be capable of being reset remotely by the utility. If the utility chooses to use the option of resetting the meter remotely, the utility shall provide a 24-hour toll-free number for the customer to notify the utility that the limiter needs to be reset and the meter shall be reset immediately following notification by the customer. If the remote reset option is used, the meter must still be capable of being reset manually by the customer or the service limiter function must reset itself automatically within 15 minutes after the interruption.

e. There shall be no disconnect, reconnect, or other charges associated with service limiter interruptions or restorations.

f. A provision that, upon installation of a service limiter or activation of a service limiter function on the meter, the utility shall provide the customer with information on the operation of the limiter, including how it can be reset, and information on what appliances or combination of appliances can generally be operated to stay within the limits imposed by the limiter.

g. A provision that the service limiter function of the meter shall be disabled no later than the next working day after the residential customer has paid the delinquent balance in full.

h. A service limiter customer that defaults on the payment agreement is subject to disconnection after a 24-hour notice pursuant to paragraph 20.4(15) “*f.*”

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EDITOR’S NOTE: For replacement pages for IAC, see IAC Supplement 7/29/09.